



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

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July 1, 2014

Via US Mail

✓ Derek Reeve

Derek Reeve for City Council 2010

REDACTED

Jim Reardon

Jim Reardon for San Juan Capistrano City Council 2010

REDACTED

Clint Worthington

Clint Worthington for San Juan Capistrano City Council Campaign

REDACTED

Re: **Warning Letter: FPPC No. 13/421; Jim Reardon; Jim Reardon for San Juan Capistrano City Council 2010; Derek Reeve; Derek Reeve for City Council 2010; Clint Worthington; and Clint Worthington for San Juan Capistrano City Council Campaign**

Dear Mr. Reeve, Mr. Reardon and Mr. Worthington:

The Fair Political Practices Commission (“Commission”) enforces the provisions of the Political Reform Act (the “Act”).¹ As you are aware, the Commission opened an investigation regarding each of you and your respective controlled committees, as named above. After a full investigation, the Commission has decided to close this case with this warning letter.

The Commission has completed its investigation into the facts of this case. Specifically, the Commission’s Enforcement Division (“Enforcement Division”) found that Mr. Reeve, Mr. Reardon, and Mr. Worthington: 1) ran together as a slate in the November 2, 2010 Election for San Juan Capistrano City Council; 2) failed to share the cost of some campaign signs, in the amount of approximately \$762 each, in violation of Section 84211, subdivisions (b)(i) and (k);

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

3) failed to disclose the names to whom expenditures were made, in violation of Section 84211, subd. (k); and 4) failed to properly maintain committee records, in violation of Section 84104.

The failure to disclose and itemize expenditures and accrued expenses in campaign statements are violations of the Act. (Government Code sections 84211, subdivisions (b)(i) and (k).) In the opinion *In the matter of John St. Croix*, 18 FPPC Ops. 1, the Commission advised that three candidates are permitted to combine their funds to finance a mailing. If three candidates split the cost of a mailer proportionately, no contribution resulted. In order for there to be no contribution, each candidate would have to pay full and adequate consideration for his or her portion of the mailer. Additionally, the Act requires that campaign reports include the name, street address, the amount of each expenditure over \$100, and a brief description of the consideration for which the expenditure was made. (Section 84211, subd. (k)(1)-(4)). Further, the Act requires each candidate, treasurer and elected officer to maintain detailed accounts, records, bills, and receipts necessary to prepare campaign statements, to establish that campaign statements were properly filed, and to otherwise comply with the provisions of this chapter.

However, based, in part, on the facts that Mr. Reardon, Mr. Reeve and Mr. Worthington had a fairly small amount of financial activity that was largely self-funded and none of the candidates or committees have a history with the Enforcement Division, we have decided to close this case with this warning letter.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

A warning letter is an FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If you wish to avail yourself of these proceedings by requesting that this case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

The Commission publishes forms and manuals to facilitate compliance with the provisions of the Act. If you need forms or manuals, or guidance regarding your obligations, please call the Commission's Technical Assistance Division at 1-866-275-3772. Please also visit our website at www.fppc.ca.gov.

Please feel free to contact me at (916)324-8787 with any questions you may have regarding this letter.

Sincerely

REDACTED

Bridgette Castillo
Senior Commission Counsel
Enforcement Division